

STANDING COMMITTEE ON PUBLIC ACCOUNTS
April 6, 1989

Public Hearing: Executive Council (Continued)

Mr. Chairman: — Call in the Executive Council people.

Good morning, Mr. Martin. We'll carry on where we left off the other day with questions.

Mr. Rolfes: — Mr. Chairman, I had indicated the other day when we adjourned that I would have a number of questions on Dome Advertising and Dome Media, and I asked the officials if they could have that information for us so that we could save some time in that regard. I was wondering whether that information is available for us this morning.

Mr. L. Martin: — Yes, we have that information. I don't have the required number of copies; I can give it to you verbally here.

Mr. Rolfes: — Oh no, that's not what I wanted. I want a copy so that . . . if I could have it . . . Could I just have a copy?

A Member: — I'll go upstairs and have copies made.

Mr. Rolfes: — Okay. While they're doing that, Mr. Martin, could you tell me under each . . . Oh, okay. Thanks very much.

Now that I have the list of advertising, I'm going to ask a few questions on it. On the 87,000 that was paid to Dome Media, could you be a little more specific as to what those expenditures were for, relating to the '86 election? Line services.

Mr. Neudorf: — I wonder if we could just pause. Mr. Rolfes obviously has an advantage over us, and I don't know what he's talking about. We don't have a copy of what he has.

Mr. Chairman: — I think that's fair, if he has information that's been provided and the others don't have it, that we should wait.

Mr. Rolfes: — Well I assume, as members of the government, they would have that information long before I ever saw it.

Mr. Chairman: — Oh, don't assume that, Mr. Rolfes.

Mr. Muller: — We're not ever allowed to assume anything.

Mr. Chairman: — You may want to turn to some other matters until the information comes back.

Mr. Rolfes: — Yes, I will do that. I was being facetious, you guys.

Mr. B. Martin: — We're not upset about the result '86 election . . .

Mr. Rolfes: — No, only the expenditures that came out of government for individual members' success, Mr. Martin. That's what I'm concerned about.

A Member: — Facetiously speaking, of course.

Mr. Rolfes: — No, that is not facetiously speaking. I would like to turn to each department and maybe each branch of the department, but what I . . . rather than going through each one of these, because they're maybe in the general . . . I can ask the general question, and you could satisfy me in that regard.

Under each one of these, I note 40, 50, 60,000 being expended for advertising and printing-related expenses. And I didn't add these all up, but they would amount to, I think, 3, 4, 500,000. Could you tell me in specific . . . not in specific terms, but sort of in general terms, what would that advertising generally be for? I mean, you also have other advertising. What would that be for, generally speaking here?

If you can take the administration branch, for example, 53,000, and then information services, 37,000, and so on, there's advertising in each one, and they amount to a fair amount. Are those for specific programs or . . .

Mr. Chairman: — I just might while we're taking . . . while the officials are considering this — just carry on, Mr. Martin — advise you that we no longer have styrofoam cups. I want to give credit where credit is due, and point out that Mr. Lyons approached me about the fact that the committee was using styrofoam cups. I've raised this with the Clerk who provided for us these cups. They say that there's other cups coming in a couple of weeks time which will be environmentally acceptable. But they ask that while we use the china cups, that we use a napkin to defray any noise because it creates some problems for the sound pick-up.

Gentlemen, I sense that Mr. Martin is ready. Go ahead.

Mr. L. Martin: — There's a wide range of items. They're by and large quite small. But to give you an example, some of that would be for advertising for employment, you know, where we have a position vacant that we have to fill, so we do advertise in some of the papers.

We have a number of ads that are placed for things like the kidney foundation. We have messages, we have award of merit, those kinds of things. So that, by and large, is where most of our advertising is spent.

Mr. Rolfes: — Would the bulk of it be for advertising for employment purposes?

Mr. L. Martin: — No.

Mr. Rolfes: — No. Yes, it bothers me a bit that . . . as I say, I didn't add it up, but it is a fair amount. Now I know advertising is expensive, but there is a fair amount of money expended for advertising. And although I won't pursue it in this one, I think I will pursue it in '87-88. If the expenditures are as great, or longer, I will want to have a detailed accounting from Executive Council as to what those expenditures have been expended for. So I'll be alerting you now that I will be asking that question under the '87-88 review.

Let me leave that. I'm not going to ask for any detail on it, on this one. I'm just alerting you that it will be coming up.

But I do want to refer now to contractual services. Can you tell me what the contractual services are for? Are these . . . these are very significant. I note under administration, for example, 459,000 for contractual services. Is this . . . well, maybe leave it at that. Can you tell me what, for example, the 459,000, can you break that down for me?

Mr. L. Martin: — Over half of it is the \$250,000 payment to SPMC (Saskatchewan Property Management Corporation) that we've been talking about. So of the 459, 250 is that payment.

Mr. Rolfes: — Okay.

Mr. L. Martin: — In addition to that we have a couple of personal services contracts and then we'd have contracts for other specialized services that we enter into.

Mr. Rolfes: — Well are you saying that these are temporary positions? Is that what you're saying?

Mr. L. Martin: — We have some communications consulting contracts in there which are listed. We had a couple of part-time people that we use that do our . . . (inaudible) . . .

Mr. Rolfes: — Okay. What I want to know is how much of that contractual services was expended for part time? I notice under every branch, contractual services, a considerable amount has been spent on contractual services. How much of that money went for part-time people?

Mr. L. Martin: — Approximately 29,000 in administration.

Mr. Rolfes: — All right. Rather than going through each one, I would like the department to provide for the committee the man-hours that were contracted, the total number of hours that were contracted in the Department of Executive Council under the various branches. Okay? Is there any difficulty with that?

Mr. L. Martin: — You're asking for that now?

Mr. Rolfes: — No. No, no. I say simply provide that to the committee.

Mr. L. Martin: — Certainly.

Mr. Rolfes: — On page 180 of *Public Accounts*, Manitoba-North Dakota Zero Till Association, an expenditure of 5,850 in Executive Council. Now I know what zero till is in agriculture, but could you tell me why we expend that amount of money to the Manitoba-North Dakota Zero Till Association?

Mr. L. Martin: — As a matter of policy we do provide some grants . . .

Mr. Rolfes: — Mr. Martin, could you speak up a little

louder. I must be getting hard of hearing, I don't mind admitting it. I have a hard time hearing you.

Mr. L. Martin: — We do provide some small grants to non-political, non-governmental organizations, and it would fall into that category. If you need more specific detail on a particular item . . .

Mr. Rolfes: — I would like to have more specific detail on that because . . . Well I understand you give to non-political groups, but why to the Manitoba-North Dakota Zero Till Association? I mean, if Minnesota requested or Texas requested some funds on a zero till, would we provide it?

Mr. L. Martin: — I doubt it.

Mr. Rolfes: — I just want to know why with the Manitoba-North Dakota Zero Till Association, okay? What's the reason for it.

Mr. L. Martin: — I'll have to check into it.

Mr. Rolfes: — Could you provide it to us in writing?

Mr. L. Martin: — Sure.

Mr. Rolfes: — We hope to finish with you people today, I hope.

Could we turn to page 182 in the *Public Accounts*. On 182 and 183 I note a Paul E. Rousseau receiving 51,610. I assume that that is the Paul E. Rousseau who is the agent-general.

Mr. L. Martin: — That's correct.

Mr. Rolfes: — But I also note that on page 183, a Paul E. Rousseau getting 32,000. Is that the same Paul E. Rousseau?

Mr. L. Martin: — I'm sure it is.

Mr. Rolfes: — Okay, then tell me what those two are for? That's 80 . . . close to \$84,000.

Mr. L. Martin: — The first item is salary.

Mr. Rolfes: — Yes, that's what I would assume, the first item was salary.

Mr. L. Martin: — The second item is expenses associated with the agent-general's living in London.

Mr. Rolfes: — But we do have a list of . . .

Mr. L. Martin: — And relocation, I believe, as well.

Mr. Rolfes: — Pardon me.

Mr. L. Martin: — And in that particular year, relocation.

Mr. Rolfes: — I do have a listing somewhere else of all the expenses that pertain to the agent-general. I don't know where they are any more. But I mean, is this in addition to . . . would you have the specifics of the 32,000?

Mr. L. Martin: — We met the relocation expenses.

Mr. Rolfes: — And how much were those?

Mr. L. Martin: — Approximately 14,000. We have medical expenses.

Mr. Rolfes: — Medical expenses, how many . . . how much?

Mr. L. Martin: — I don't have a figure for that. And we have what's called a representation allowance and some kind of . . .

Mr. Rolfes: — Pardon me.

Mr. L. Martin: — Representation allowance. It's to do with the expenses of living in London. It's a traditional thing. Okay, I'm also informed that that's covered in the OC (order in council) that appoints the agent-general.

Mr. Rolfes: — So the total . . . well okay then, now these are certainly not the total expenditures for the agent-general in England. Where . . .

Mr. Wincherauk: — That's on the . . .

Mr. Rolfes: — Pardon me.

Mr. Wincherauk: — If you look in your Public Accounts, the expenditures for the agent-general is . . . I think it's on page 179 . . . 181.

Mr. Rolfes: — Okay, I knew I'd seen it somewhere. Why would those other expenses not be included under the office of the agent-general? Why are they separate? I mean, if they're part of the expenditures of the agent-general, why are they recorded separately? Are they . . . (inaudible) . . . directly to Mr. Rousseau?

Mr. Wincherauk: — They're paid out of the . . . it's a schedule of payments. It's just other expenses. You know that is pulled out of the entire expenditure. It's reported twice, yes.

Mr. Rolfes: — I realize that, but under the office of the agent-general we have listed temporary positions, honorariums, allowances and day cares. Why didn't we just have under there, another title, relocation of agent-general — 32,000. Why does that need to be separately under . . .

Mr. Wincherauk: — Well they're just broken down into various codes and so . . .

A Member: — We totalled it up.

Mr. Wincherauk: — There is an item that says, postage, communications, freight, express, and relocation.

Mr. Rolfes: — And so it shouldn't be a double entry.

Mr. Kraus: — It's not really a double entry. The schedule of payments at the back is just intended to highlight those payments over certain dollar values even though,

obviously, these expenditures are reflected back in the individual subvotes. It is a doubling. It's not double counting, but certainly it's just to bring it to your attention.

Mr. Rolfes: — You did that. Okay . . .

Mr. Neudorf: — Trying to make your job easier for you.

Mr. Rolfes: — Okay, good enough. Tell me, I want to go to Hotel Saskatchewan Ltd. — 32,813. It's on page 183. What was . . . What did that entail?

Mr. L. Martin: — The single largest item there was the Order of Merit and the legislative opening.

Mr. Rolfes: — How much for each?

Mr. L. Martin: — I have them together at \$32,000 — both items. Excuse me, that includes some other functions as well as . . . I can get . . .

Mr. Rolfes: — I just thought maybe you had these with you. I thought you might have the Order of Merit with the . . .

Mr. L. Martin: — The Order of Merit is 10,600. The legislative opening is eleven seven.

Mr. Rolfes: — All right. I have one further question on page 182, and that's in regard to Air Canada — 88,126. Can you give me some of the larger expenditures that were incurred under that expenditure of 88,000? Who incurred those expenditures?

Maybe it would be easier if I just asked you to supply that to the committee, the details of that?

Mr. L. Martin: — What I'm looking for is . . . We already supplied that information in returns and I just . . .

Mr. Rolfes: — Oh, did you?

Mr. L. Martin: — What I was looking for was to give you the right return number.

Mr. Rolfes: — Oh, if you've got it in returns then I won't bother.

Mr. L. Martin: — The returns are 1, 5, 8 and 60.

Mr. Rolfes: — 1, 5, 8?

Mr. L. Martin: — 1,5,8, and 60 — four returns. Sorry.

Mr. Rolfes: — Okay. One further question there. Who is Gordon Dobrowsky? He was paid \$2,262, and I want to know what that's for.

Mr. L. Martin: — He was an assistant to the Premier. What's the specific question?

Mr. Rolfes: — Oh, okay. Now I know. The name just sounded familiar. Okay, fine. Good enough. The name just sounded familiar and I couldn't place the individual and I wanted to know who he was. I know now who he is. All right, I have no more questions on that, those pages. If

anybody else wishes to pursue, I have some other items I want to pursue a little later.

Mr. Chairman: — Can I just ask with respect to travel on page 182, the returns also indicate a breakdown of the travel expenses for the Premier of 28,767.

Mr. L. Martin: — Yes, it is.

Mr. Chairman: — Okay. What about for Sherwin Petersen of \$7,218?

Mr. L. Martin: — I assume it's in there, but if it isn't, I can get it for you.

Mr. Chairman: — If you could provide that. Basically I'm interested to know the date, the purpose, destination, mode of travel.

I'd like to turn to page 183 if I might. And first of all, can you tell me what the expenditure was for Barry Austin, of some \$12,000, what that was for?

Mr. L. Martin: — Who?

Mr. Chairman: — Barry Austin. I refer you to page 183 of the *Public Accounts*.

Mr. L. Martin: — That's a person that's employed in the electoral office.

Mr. Chairman: — Okay. What about Beck Technology Inc.?

Mr. L. Martin: — They supplied us with some computer equipment.

Mr. Chairman: — Okay. David Black?

Mr. L. Martin: — He's the logistics co-ordinator for the Premier.

Mr. Chairman: — Does he get paid on contract as opposed to salary then?

Mr. L. Martin: — Contract.

Mr. Chairman: — Is that how that works? And British Telecom.

Mr. L. Martin: — That's agent-general telephones.

Mr. Chairman: — And Corporate Education Resources Inc.

Mr. L. Martin: — That was a couple of software packages that were purchased to track executive categories in government in terms of career planning, succession planning, some of those kinds of things.

Mr. Chairman: — The payments to CIC (Crown investments corporation of Saskatchewan) and Crown Management Board, what was that for?

Mr. L. Martin: — That's a reimbursement of a secondment for Graham Parsons. Graham Parsons was

employed by the Crown Management Board and he was seconded over here. We reimbursed them for that.

Mr. Chairman: — What did he do for the Executive Council?

Mr. L. Martin: — He was, at the time, the secretary for the economics unit of the planning branch.

Mr. Chairman: — And the Government Research Corporation. Can you explain that one?

Mr. L. Martin: — Basically that's a service that monitors Washington issues and does some forecasting.

Mr. Chairman: — Is this out of the United States?

Mr. L. Martin: — Yes.

Mr. Chairman: — Now let me get this straight. They monitor what's going on in Washington?

Mr. L. Martin: — That's correct.

Mr. Chairman: — You don't feel like you could just buy . . . get a subscription to the *Washington Post* or one of the papers down there to . . .

Mr. L. Martin: — Well they provide a more detailed analysis than you can . . . in terms of what's going on in Washington.

Mr. Chairman: — I see.

Mr. L. Martin: — It'd be something equivalent to, for example, to the kinds of service we'd get the conference board.

Mr. Chairman: — What about the Hotel Saskatchewan, \$32,000?

A Member: — He's already answered that.

Mr. Chairman: — You did. Okay, sorry. I'll pass on that one. Michael Leddy, Michael O'Connor Leddy.

Mr. L. Martin: — He worked for the principal secretary.

Mr. Chairman: — Okay, and what did he do?

Mr. L. Martin: — He assisted the principal secretary.

Mr. Chairman: — Assistant, okay. What about McLean and Associates?

Mr. L. Martin: — That's the communication's consultant.

Mr. Chairman: — Where are they located?

Mr. L. Martin: — In Toronto.

Mr. Chairman: — In Toronto. I wonder if you could provide us with a list of the names of the principals of McLean and Associates, and also a detailed description of the services or goods that they might have provided. And you say these are consultants.

Mr. L. Martin: — That's correct.

Mr. Chairman: — What kind of consultants?

Mr. L. Martin: — Communications.

Mr. Chairman: — Communications. Can you describe for us today, like generally, what kind of communication consulting they would have done for the Executive Council?

Mr. L. Martin: — One, they would have spent time consulting with individual ministers about their respective portfolios. They would be involved in the development of the advertising, the general government advertising, those kinds of things.

Mr. Chairman: — McLean and Associates, would any of their mandate have been to review the performance of ministers, including the Premier; that is to say, their media performance, to evaluate how they perform in the media, and to give advice on that?

Mr. L. Martin: — No, I don't think that's . . . that's not the purpose. They provide advice, evaluations.

Mr. Chairman: — The \$37,000, was that for work carried on over the course of 12 months, or was it a specific project?

Mr. L. Martin: — That's for work carried on over 12 months.

Mr. Chairman: — Was all that work spread over 12 months, or was more of it concentrated in certain periods of time?

Mr. L. Martin: — There was work done over 12 months. I think that's . . . It's ongoing work.

Mr. Chairman: — Okay.

Mr. Lyons: — Are they on an annual retainer?

Mr. L. Martin: — Yes. Yes, there is a small retainer.

Mr. Lyons: — Okay. Then they're paid fee-for-service based on projects?

Mr. L. Martin: — In addition.

Mr. Lyons: — In addition to the retainer.

Mr. Rolfes: — Could I follow up on . . .

Mr. Chairman: — Yes.

Mr. Rolfes: — I'd like to have a little more detail on the consulting each minister — I think the words were, "respecting their portfolio." I think those were the words you used. Give me a little further explanation. I don't quite understand that. Here we bring in a consulting firm to contact or to have . . . to consult with each minister respecting their portfolio; a firm from Toronto to come in and talk to ministers about their portfolio.

Mr. L. Martin: — Well, it's in connection with communications.

Mr. Rolfes: — In what way? I mean, ministers communicating with ministers; ministers communicating with the Premier; ministers communicating with the public?

Mr. L. Martin: — With the public.

Mr. Rolfes: — And in what way are they supposed to . . . I mean, I don't understand this. What's the purpose of hiring some . . . I just don't understand. I mean, ministers, certainly politicians know how to communicate. What's the purpose of this firm?

Mr. B. Martin: — Perhaps I could clear that, Mr. Speaker. Could I clarify that for you?

Mr. Rolfes: — I'd like to have it from Mr. Martin over there. No, I'd like to have it from the person who is responsible for it, not from another politician.

Mr. B. Martin: — Well I've spent some time in the communications industry; I thought I could maybe help you with that.

Mr. Rolfes: — No, I thought you had considerable problems in the legislature communicating, so I'd sooner have it from Mr. Martin over here . . . (inaudible interjection) . . . No, I'm serious. I would really like to have it from the person that's responsible rather than from the other Mr. Martin.

Mr. L. Martin: — In all of these areas, communications including, there are consultants hired to provide specialized services that you can't retain on a day-to-day kind of basis, where you simply can't employ those people full time.

Mr. Rolfes: — No, I realize that, but the . . .

Mr. L. Martin: — So we hire specialists in this particular case. It's in communications.

Mr. Rolfes: — To do what? To do what? That's what I want to know.

Mr. Lyons: — What's the nature of the consultant? You say when he consults with the minister. What's the nature of the consultant?

Mr. L. Martin: — All I can do is repeat what I gave you before.

Mr. Lyons: — No, we're asking specifically. I mean, consulting covers a lot of things. You can consult about the weather; you can consult about a number of things. What is the nature of the consulting work?

Mr. L. Martin: — I mean, I can't give you the detailed reports. Those aren't public. But they do . . . McLean and Associates consult with ministers about the public . . . communication with the public.

Mr. Rolfes: — But, Mr. Martin, that's the very function of a minister and a politician, is to communicate with the public. I mean, obviously there's got to be some reason why we hired a consultant firm.

Was there a problem with certain ministers that they didn't know how to communicate with the public, and therefore, as a government, felt we had to hire a firm to have a course? Did they have specific courses laid down when ministers came and it was outlined to them as to how they would communicate with the public, or what did they do? I mean, there must be some specifics. You just don't hire someone and say, all right, you know, you are a consultant; we're bringing you in; now we want you to consult with the ministers.

Mr. B. Martin: — Well just as consultants have to teach you how to dress and comb your hair and things when you were a minister, you know, those kinds of things . . . (inaudible) . . .

Mr. Rolfes: — No, we didn't have those; we didn't need those kinds of things, Mr. Martin.

Mr. Lyons: — You guys need lessons in how to dress . . . (inaudible) . . .

Mr. Chairman: — Could we have order please. Thank you.

Mr. Rolfes: — That's absolute crap.

Mr. Chairman: — Order, please. Order please. Mr. Rolfes, Mr. Martin. Mr. Martin on the Executive Council.

Mr. L. Martin: — I believe all I can add to that is that basically what we've done is hired her to provide advice to ministers in terms of how to improve their communication of government policy.

Mr. Chairman: — Could I . . . (inaudible) . . . ask, like how they would go about doing this? Like, you paid this money. Would they sit down with each minister and sort of talk about how you're communicating government policy? And the minister like, you know, one minister or another would say, well this is how I'm communicating, and they would say, well, you know, maybe there's a better way to say these things or . . . Is that how they would do it? Or just how does this work?

Mr. L. Martin: — I think basically it's more general than that. It's bringing advice, in that sort of general field of communications, to ministers so that they're aware of how the world is — of communications — is changing and, you know, as we do in a number of things, trying to maintain a sense of how things are involved, you know, rather than approaching it the way you have. I think it's a more general one than that.

Mr. B. Martin: — Point of order, Mr. Chairman.

Mr. Chairman: — Point of order.

Mr. B. Martin: — I think the members opposite are trying to elicit information of incidents that occurred in the minister's office. I mean, if they don't understand what

communications people do in the world today, they're the only ones in the room that don't, and I think the general public understands what communications people do. You know, that information and what happens in the minister's office is not for this . . . (inaudible) . . .

Mr. Chairman: — Well, Mr. Martin . . .

Mr. B. Martin: — So can we move on to some questions that, you know, that are relevant to this . . . (inaudible) . . .

Mr. Chairman: — Mr. Martin, you may want to have us move on to some other questions, although I think that the questions are legitimate.

I think that, you know, if I were to go down in my constituency and ask a hundred people, can you describe to me what a communication consultant does, I'm not sure I'd get a lot of clear, specific answers. And this is an expenditure, a legitimate expenditure, and there's questions being asked; the questions are legitimate. Members are trying to understand what the money was spent for. That's their jobs.

Mr. Neudorf: — Well could I speak to that point of order, Mr. Chairman.

It just seems to me that what we're dealing with here is the question, what was the money spent for? And I think the official has very adequately answered the question that the money was spent in getting a consulting firm, an expert on communications, to assist the ministers in performing their duties in communicating with the public.

Now Mr. Rolfes indicated, well, he never had that type of assistance, or that type of assistance was not necessary for him. And like I said before, just look where he's sitting, on the opposition benches, because if you don't communicate with the public, the public is going to lose confidence in you.

And as to whether you agree with whether it was money well spent in terms of communicating with the public, or the procedure that was used in order to do this communicating, that, I submit to you, is getting very close to being a policy-debating kind of an issue which we can do. But I don't think that the official should be held responsible for those types of decisions.

Mr. Chairman: — Well I looked at the mandate of the committee and . . . Mr. Neudorf, and I appreciate your remarks. Anyway, the point of order is not well taken. I think the questions are appropriate at this point. At the time that I see the questions delving into areas that are clearly those of policy, then we'll make a ruling on that.

The questions are about the goods and services that have been purchased by the government, whether that was money that was well spent with due regard for the economy and the acquisition of goods and services, the regard for efficiency and operation, the effectiveness of programs in achieving your stated objectives. Those are legitimate questions and vein of questioning for members of this committee, and . . .

Mr. Neudorf: — I think we're boiling down to a fundamental breakdown here if we're going to pursue this line.

Mr. Chairman: — I want to just take a minute again to refresh for the members of the committee, just what the role and responsibilities are of the committee. What is our purpose? What are the issues that the committee is to examine, assess, report on to the legislature, and follow up with the administration on?

And I want to refer you to the statement and the report, I think, of 1982-83, that was adopted by the Legislative Assembly, and there has been no contrary indication from the Legislative Assembly since that time. And that written statement includes items (e), (f), and (g). Item (e), the committee can be concerned about:

... is to examine, assess, report on to the legislature, and follow up with the administration, including:

(e) the regard for economy in the acquisition of goods and services;

(f) the regard for efficiency in operations; and

(g) the effectiveness of programs in achieving their stated objectives.

That is in addition to other things such as:

... reliability and appropriateness of information in the *Public Accounts* ...

the collection of, and proper accounting for, all taxes and other revenues ...

the maintenance of expenditures with the limits and for the purposes authorized by the legislature;

the adequacy of safeguards to protect assets from loss, waste and misappropriation;

My interpretation is that the questions that were being asked certainly fall within the framework of those purposes, those objectives of the committee.

Mr. Muller: — Well, just speaking to the question at hand, it's something that the Provincial Auditor certainly had to flag in his Provincial Auditor's report as money being spent illegally, or without due process. And I felt that that was really the mandate of the committee. Certainly Mr. Rolfes agreed with me last sitting when he said that he'd even disagree with some of his members on his side of the table on comprehensive auditing. He felt, at that time, that ... and I don't have the *Hansards* with me from the last sitting of the Public Accounts Committee, last summer, but at that time he said that he didn't feel that comprehensive auditing was the mandate of this committee.

So I feel that we're delving into some areas that probably we shouldn't be in, and being the Provincial Auditor hasn't flagged it as something that was spent without proper due process, I think that we're probably getting off

base a wee bit.

Mr. Chairman: — If I just might again ... There is a substantial difference between the mandate of the Provincial Auditor and the mandate of the committee. It is clear that the mandate of the Provincial Auditor does not include the concept which is known or has come to be known as comprehensive auditing, and that is to say, questions of economy, efficiency, effectiveness.

The auditor has raised that particular question in his reports and has asked for that kind of authority. He does not have that authority. However, the committee, given its mandate, certainly has that authority, as distinct from the auditor himself.

If I recollect, as an aside, Mr. Rolfes and other members of the committee took the position that perhaps the auditor should not have that kind of mandate; that is to say, to be able to pursue questions of economy, efficiency and effectiveness, and other committee members felt that he might, that that perhaps should be looked at. And there was some disagreement on that point, and that's clear.

But I don't think that there has ever been any ... that there is every any disagreement that the committee should not have, or should have, the mandate to indulge in questions related to economy, efficiency and effectiveness. Even if there is a disagreement voiced from time to time, I would simply point out, again, that that is the mandate of the committee as authorized by the legislature, and if that mandate is to be changed, then that change must come from the legislature.

Until there is such a change, my ruling would be is that the questions which were being put are in order. I have ruled in the past that if these questions impinge on areas of policy, then perhaps questions may be inappropriate. But certainly no consideration has been raised at this time about these being matters of policy. These are simply matters of a service being provided to the government, in the year under review, and committee members trying to ascertain some details of the services that were provided. To this point, the questions have been appropriate.

Mr. Martens: — Just an observation. You raised the questions and I believe that you got an answer. And the answer, as I heard it, was that general government communications was the ministers to the public — now that's the answer. If you don't like the answer, that's your problem, not the problem as it relates to this committee. But that was the answer, and I don't think that you need to go beyond that. That's what I think. And if you want to speak about this, ask the questions in question period. That's where the public forum for debate is on that issue. And if you want to deal with these issues in debate right now, we'll deal with them, and we'll excuse these ladies and gentlemen and we'll discuss it. But I think you got an answer, and you may not be satisfied with it, but that's what the answer is.

Mr. Rolfes: — Mr. Chairman, I don't know what's happened to this committee over the last year or so, but it's obviously been muzzled by the members opposite in doing its duty and its functions. If I ask the officials on Dome Advertising if Dome Advertising has received

\$450,000, and all the officials are going to say, it was for advertising for the government and that's all I can ask, I don't need to ask the officials that. It's right there. And if that's all they're going to say, then this committee has destroyed its value and its function, if I am not allowed as a member of this committee to ask the official on what particular item did the government expend money for Dome Advertising, for what purpose and what area did they spend it.

All I'm asking for, and I asked Mr. (L.) Martin, were there any detailed programs and courses laid down for cabinet ministers?

Mr. Martens: — That's not what you asked him.

Mr. Rolfes: — I did. Look at the record. I asked if any courses were given; give me some of the details of what the money was expended on, and then someone interrupted. Surely I have a right as a member to ask those questions. Were any courses laid down, and what were those courses? Could we get an outline of those courses.

We have a right, as a member of this committee, to see to it that the money is effectively spent. That's exactly what the mandate of this committee is. And if we can't ask those questions, you people are destroying the Public Accounts Committee.

I'm not into policy. We've decided that we can't ask questions on policy, but surely as a member of the committee I have the right to ask the officials if courses were given on consultation. You had the right to hire those people, and I have no objection to that, but surely it's up to me as a member of the committee to ascertain whether that money was effectively spent. And how can I do that if all you're going to allow the officials to say, well they hired them to consult with ministers on how to communicate with the public, if that's all they're allowed to say?

And I can't ask the officials, then, did they provide you with a course, did they provide the government with a program? The answer is yes. What is that program? I have a right to know that as member of this committee so I can then ascertain whether or not the money is well spent from my perspective, and the committee then decides whether it is or isn't. And that's certainly not policy, not policy at all.

And if we're going to deny a member of the committee to ask those kinds of questions, you've destroyed the committee. I just find it absolutely frustrating that every time the officials are ready to answer some questions in a little more detail, the members opposite object. I don't know what for, for what purpose.

I don't know what that program was about. When I saw that, I just thought, well McLean & Associates, okay, they provided some advertising for the government; fine, I want to know what they've done. We find out they are consultants. Consultants for what? To consult with individual ministers on how to communicate with the public. Okay, fine, if that was needed. What courses did they offer? Let me see the specifics of it, and as a committee let's have a look at it and see whether or not

we can ascertain whether that money was effectively spent. That's all I'm asking.

Mr. Neudorf: — It seems to me that the same question was asked a number of times and the same answer came out each time in terms of the consultant's role in this. I did not get the impression that the officials were ready to answer any great more detail and that we interrupted and cut them off. Because in my opinion if the officials are eager or willing to answer in any greater detail, then so be it and let them. I'm not going to stand in the way of that, Mr. Rolfes.

We're coming into a fundamental problem that this committee is having, and that is that if we are going to be sitting here deciding whether the money was effectively spent. Now what does the term "effective" mean? It's a relative term, and we will never, ever come to an agreement because we are on opposite sides, philosophically, and on other issues as well. So to determine effectiveness of money spent by this committee, it will never happen. It will never happen.

Mr. Martens: — I just want to go on on that tone — value of money well spent. There's 23 people sitting on this room . . . in this room, and every one would have a detailed decision on how different that money should be spent. So each one of us would have a way of determining the value of that money, describing the amount of benefit it is to them in an individual basis if we put a dollar out here. Who is to benefit? So we got 23 different opinions of value.

We can't do that in this committee because of the reasons that Mr. Neudorf said. And if we go that way, we look at the value of that money, and we say: it's good for Mr. Rolfes; it's no good for Mr. Lyons; it's good for me; it's good for Mr. Neudorf. And who is to determine whether that value is accurate or not? Is it the majority of us? Or is it the minority of us? Who is to determine that? And that's what we're talking.

The value that the department placed on the question that you asked was \$37,000, and that's what the value was. Whether it was effective, whether it was efficient, is strictly a subjective perspective, and I don't think you'll ever get an answer for that.

Mr. Lyons: — Well I just think that everybody's losing sight of what's going on here. It's not a question of us as a committee determining what's going to be effective and what's not effective. Effectiveness and the non-effectiveness or the performance of the government will be decided by the people of the province. Our mandate comes, however, and rises from the people of the province in order to show to them and let them know precisely how it was the funds of the . . . their funds were spent.

A Member: — I have no problem with that.

Mr. Lyons: — And in asking officials, Mr. Neudorf, you do have a problem. Because in asking officials, time after time after time you and the other members of the committee on that side have attempted to instruct the public's right to know how their tax dollars were spent.

It's a perfectly legitimate question to ask, when the government hires a Toronto consulting firm to give communications advice to the ministers, to find out whether or not that communications advice came in the form of ongoing or contractual, specific projects or an overall, general approach; whether or not there are courses that the ministers take in terms of learning how to communicate more effectively, and then providing whatever they do provide to the public. Those are perfectly legitimate questions because the people of the province have the right to know. And that's the fundamental underlying function of the committee.

Of course we have philosophical differences. I mean, we wouldn't be in different political parties. But it's not a question of cultural or moral relativism as you seem to suggest, because the underlying thing that ties it all together and provides for the basis of the committee is the public's right to know. And you either agree with that or you disagree with that. We say that the public has a right to know, within the bounds as defined by the legislature and the mandate the chairman has outlined.

So I suggest that we just keep on asking the questions. If it's a policy area, the officials will tell us it's a policy area. We don't need you or Mr. Martin or Mr. Martens to tell us that. The officials will tell us that.

Mr. Chairman: — I just might . . . I want to point out first of all that Mr. Martin of Executive Council early on agreed that he would undertake to provide us with a list of the principals and a description of the goods and services that were provided by McLean & Associates. He undertook to do that.

I think that in addition to that, any questions that are relevant to the mandate — and again I would encourage members to phrase their question in the context of the mandate, and as opposed to going on a general fishing expedition — that their questions are put in the context of economy, efficiency, effectiveness, and keep those objectives in mind; that those kinds of questions can be rightfully allowed.

Where those questions intrude onto areas of policy, then those kinds of objections must be raised and must be ruled upon at that time. That has not happened.

As to the answers that might be given and whether or not something is effective, relating to Mr. Martens of Morse and his comments, whether or not economy, effectiveness, or efficiency was achieved, what is the meaning of the answers provided by the Executive Council, I agree with him that those are items for debate, and the committee has an opportunity to debate those once the questioning is completed. But I think that the questioning should be allowed to proceed, and if there is, then debate arising from the information which is garnered, that debate should be allowed then at the appropriate time.

Mr. B. Martin: — Well I want to mention that Executive Council . . . In that communications questions, Executive Council hired the communications firm from Toronto. The communications firm then comes into the minister's

office. Each minister has different situations he wants to talk about in terms of communications, depending on his background, you know, his training, whatever, a schoolteacher or whatever he was before, or veterinarian, whatever he was before, farmer or whatever — and he has different needs in his particular office.

So the Executive Council hires the communications people; they then go into the minister's office, and what happens in the minister's office is individual, is private and privileged between the minister and the communications expert from Toronto. And I don't think that the Executive Council probably doesn't sit in on those meetings and probably can't answer the questions anyway. They could maybe give you some general terms, as Mr. (L.) Martin already has, but you know, what goes on in the minister's office is privileged between the minister and the communications people in Toronto, and not for the information of the people on the other side.

They don't know the answer to all those questions.

Mr. Rolfes: — Mr. Chairman, I just want to . . . I'm sure that Mr. (L.) Martin from the Executive Council doesn't need the member from Wascana to be apologetic for him and to tell us what Mr. (L.) Martin knows or does not know. He's quite capable, I'm sure, of answering the questions for himself, and I'd be very insulted if I were you, sir.

But let me ask again: did the McLean & Associates provide a course that they were going to offer to the Executive Council that could be used for helping the communications of ministers with the public, and is that course or program available for us to peruse?

Mr. L. Martin: — The answer to "did they provide a course," the answer is no. What they did is they provided written strategies for each minister relative to the communications of government policy for their portfolio. That's what they provided.

I think in addition to that there are two or three reports . . . in return 193 you'll find reference to three of them. I think those are the three reports we saw. That's what we got.

Mr. Rolfes: — Okay, that's all I'd asked for earlier. If I could have got that, we could have saved ourselves a half-an-hour, you know, in the whole thing. That's what I asked for much earlier, and you can check the records. That's what I'd asked for.

I know those reports probably are confidential and that's fine; I have no difficulties with that.

Can you tell me, Mr. (L.) Martin, how the particular firm was chosen? Was it done by tender?

Mr. L. Martin: — No.

Mr. Rolfes: — Were there no . . . did the Executive Council check at all whether there were firms in Saskatchewan that possibly could have fulfilled that mandate? We seem to have an expert opposite here who seems to know a lot in that area . . . (inaudible interjection) . . . No, I wasn't talking to you. No, we

wouldn't be that hard up.

The member from Rosthern always wants to turn this into a political committee, and, you know . . .

Mr. Chairman: — Mr. Rolfes, if you have a question, I would encourage you to put it . . . Could we have order, please? Order. The committee's going to take a two minute recess.

The committee recessed briefly.

Mr. Lyons: — I just was going to follow, for McLean & Associates, on what criteria were they selected? Or is that a policy question?

Mr. L. Martin: — They were . . . (inaudible) . . . and that is correct, it is.

Mr. Lyons: — MFB and Associates? I'm sorry if this was answered already.

Mr. L. Martin: — It's the scientific and technical adviser to Executive Council.

Mr. Lyons: — The scientific and technical adviser. And who are the principals in that firm?

Mr. L. Martin: — That's Mike Barabas.

Mr. Lyons: — From Saskatchewan?

Mr. L. Martin: — Regina — MFB Associates.

Mr. Lyons: — And MFB, that's one person. Is it the one person, Mr. Barabas?

Mr. L. Martin: — I believe so.

Mr. Lyons: — Okay. What type of work did he do for Executive Council?

Mr. L. Martin: — Basically what we did is we used him to evaluate for us various items that would come forward that were of a highly technical or scientific kind of nature.

Mr. Lyons: — Could you be more specific of what type of things would come forward?

Mr. L. Martin: — I mean, it covers a broad range of things across government. But to give you an example and maybe a little bit of background with it, he was the director of research for the Saskatchewan Power Corporation for a number of years. We used him in addition to other resources in-house when we were putting our informatics system together.

Mr. Lyons: — So he's basically involved in the computer installation?

Mr. L. Martin: — Among other things. That's a small . . . that's just an example.

Mr. Lyons: — Could we have a listing of the services that he provided for the Executive Council. Could you provide us with that through the committee, please?

Mr. L. Martin: — I can give you those.

Mr. Lyons: — Professional Computer Centre.

Mr. L. Martin: — That was for the purchase of the computer equipment for the policy secretary.

Mr. Lyons: — Was this the prying stuff?

Mr. L. Martin: — No.

Mr. Lyons: — Okay, what computers were they and how much . . .

Mr. L. Martin: — I'll have to get you the detail, but as I understand it, there was a couple of Compaq computers purchased, and printers and software that go with that.

Mr. Lyons: — Okay, could you provide a list again for that?

We come to another communications company, I presume—Public Affairs Communications Management Inc.

Mr. L. Martin: — That's McLean & Associates. They have a name change in September of '86 to Public Affairs Communications Management Inc. I'm not certain whether there is any change in principals at that time or not. Certainly McLean stayed with it.

Mr. Lyons: — So basically that Toronto public relations firm was paid the 37,000 plus the 39,000 and change — 78,000. Who are the principals in McLean & Associates, and Public Affairs Communications Management?

Mr. L. Martin: — We've already agreed to get that to you. I don't have them here.

Mr. Lyons: — Okay, sorry. Richard Parken?

Mr. L. Martin: — He works in the agent-general's office.

Mr. Lyons: — He works in the agent-general's office in London?

Mr. L. Martin: — Yes. That particular item that you're asking about is the relocation and overseas allowances.

Mr. Lyons: — Okay. And if this one was already asked about previously, that's fine — Gary Allen Simons? That's not the Gary Simons I'm familiar with, would it be?

A Member: — Yes.

Mr. Lyons: — West Wind Aviation Inc.; is that Saskatoon?

Mr. L. Martin: — I'm not certain of the location. It's either Saskatoon or Regina.

Mr. Lyons: — I presume that was for . . .

Mr. L. Martin: — That's a charter flight to the mid-west governors' conference.

Mr. Lyons: — Was that by . . .

Mr. L. Martin: — Yes, and then to Ottawa. We couldn't make communications under a commercial. Sorry, it is a Saskatoon firm.

Mr. Lyons: — And that was by jet, I presume, private or chartered jet.

Mr. L. Martin: — It's a Citation.

Mr. Lyons: — Now they took the Citation from Regina to Ohio, I believe. Is that the destination?

Mr. L. Martin: — Yes.

Mr. Lyons: — And then from Ohio up to Ottawa?

Mr. L. Martin: — No, that was . . . Sorry, it's in return 216. It was Regina, Columbus, Ottawa.

Mr. Lyons: — Do you know if the plane was held overnight?

Mr. L. Martin: — No idea.

Mr. Lyons: — Why wasn't one of the government aircraft utilized?

Mr. L. Martin: — Well the reason it wasn't — and I'll check — but as I understand it, the reason it wasn't is because there was a meeting called in Ottawa, and we couldn't make that and the commitment of the governors' conference at the same time, using the regular service from Regina.

Mr. Lyons: — No, I didn't ask about the regular service. Why wasn't one of the Cheyennes used?

Mr. L. Martin: — I'll have to get back to you. I don't know why it wasn't used. I'm sure there was a reason, but I don't have it.

Mr. Lyons: — And could you provide the committee with the information on why their . . .

Mr. Chairman: — Any further questions.

Mr. Lyons: — There was one more, Mr. Chairman, if I could just find it. Michael O'Connor Leddy.

A Member: — We've had that.

Mr. Lyons: — You've had that one? Okay, fine. That's it. No further questions, Mr. Chairman.

Mr. Chairman: — If there's no further questions, I want to thank you, Mr. Martin, and your officials for being with us. There may be opportunity to have you back again. I doubt that, but there may be opportunity, I'm not certain. Certainly, probably for next year, but there may be some follow-up questions; we don't know that yet at this point, but you'll certainly be advised, and I want to thank you and your officials for being with us here today.

What is your wish as a committee? We have . . . We

would normally consider a motion that the hearing be concluded; however, we have the property management committee standing by. Do you want the motion put and then adjourned, or do you want to debate on it at this point?

Mr. Muller: — . . . (inaudible) . . . adjourn it, but bring in property management.

Mr. Chairman: — Okay. Does someone want to move the motion then:

That the hearing on the office of Executive Council be concluded subject to recall if necessary for further questions.

Mr. Neudorf: — I will so move.

Mr. Chairman: — Is there a seconder?

A Member: — We don't need one.

Mr. Chairman: — Don't need one. Okay. Any debate on the motion? Any debate on the motion?

Mr. Muller: — I move the motion be adjourned?

Agreed

Mr. Chairman: — Okay, let's call in Saskatchewan Property Management Corporation/Department of Supply and Services.

Mr. Neudorf: — Does that terminology have a hidden meaning?

Mr. Chairman: — No. No, not at all. They're sort of both. I should have put it the other way around because they were more one than the other.

Public Hearing: Saskatchewan Property Management Corporation

Mr. Chairman: — Good morning, Mr. Cutts, and thank you for persevering and coming back. I wonder, before any other members get on, if I might ask just on . . . Department of Supply and Services. I want to refer him to paragraph 20.04 . . . or I guess, 20.02 through 20.04. It's the matter of the payment for Department of Parks and Renewable Resources of some \$2.4 million. And you indicate in paragraph 20.04 that:

(Furthermore,) officials were unable to give my representatives a satisfactory explanation as to why the Department of Supply and Services' appropriation was charged with the costs relating to the Department of Parks and Renewable Resources capital construction projects.

I wonder if you have any further explanation on that, or if not, then whether the department officials might be able to provide an explanation of that.

Mr. Lutz: — Mr. Chairman, I don't believe I have further comment to what is in my report.

Mr. Chairman: — Mr. Cutts, I wonder if you might have any comments on that.

Mr. Cutts: — Yes, Mr. Chairman. The money was given to us under the authority of the treasury board I guess, and once they give it to us we have a letter receiving direction how we should make the payment.

Mr. Chairman: — As I understand it, this is a payment to Parks and Renewable Resources . . .

Mr. Cutts: — Yes.

Mr. Chairman: — . . . for construction activity that they had undertaken or were undertaking that fiscal year.

Mr. Cutts: — Yes.

Mr. Chairman: — Now the auditor says that first there was some confusion as to whether it was rent as opposed to a grant payment. And he said that:

. . . no approval was obtained from the Lieutenant Governor in Council, as required under The Public Works Act in connection with the making of grants . . .

Mr. Cutts: — I'll ask Shirley Raab to answer that question in more detail, Mr. Chairman.

Ms. Raab: — Just to give an explanation, in that year all of the government had consolidated all of the capital into the newly created Sask Property Management Corporation, and funding was provided to Supply and Services to repay that particular type of capital with the Department of Parks.

We had received some direction from treasury board to pay it. We had coded it as a rent, and upon subsequent review we agreed with the auditor that it perhaps should have been a grant and we should have had an order in council to pay it. In many of the other payments we made, we did get the order in councils. And this particular one was just, I think, in the transition, this particular payment. It should have followed that route as well, and it did not.

Mr. Chairman: — I just might say that I appreciate the fact that the government has the authority to make changes in the way, you know, departments operate, as we have here with Supply and Services and to property management corporation. But there are Acts existing that departments must adhere to, and even if the departments change there must be adherence to those statutes. And if the statutes are no longer operative, then there should be some format for it to bring that back to the Legislative Assembly so that the Assembly can deal with that.

But I want to move on to a grant made to school boards in paragraph 20.11 and 20.12, and it's concerning the matter of grants to school divisions. And the auditor expresses a concern that there's been a reduction in the information available to members of the Legislative Assembly, and points out that *Public Accounts* no longer discloses school divisions who receive capital grants during the fiscal year and the amounts each board received. And the estimates no longer disclose the capital

grants for school divisions, and members do not have the opportunity, specifically, to appropriate the sum necessary for new capital grants.

I wonder if you might have any comment on that, Mr. Cutts.

Mr. Cutts: — Mr. Chairman, the two parts of the question, in terms of the *Public Accounts* no longer disclosing which school division get the money; and the second part of that, no longer disclosing the grants for school divisions. I really can't speak to that because that's really not under our area of responsibility. I really don't know about that information.

In terms of the 20.10, the money that was passed over to us was similar to the park situation that Shirley Raab explained just a minute ago, that the treasury board allocated that money to us and asked us to make those payments on behalf of those departments. During this year in transition, it was that year when all the capital projects were moved over.

Mr. Rolfes: — I'd like to direct a question to the auditor. Why was that comment included under this section of Department of Supply and Services, on 20.11, that:

The Public Accounts no longer disclose the School Divisions who received capital grants . . .

Why was that included? I've noted it in mine too that I was going to ask a question on that. Would that not have been more appropriately put under the Department of Education? There must have been some reason why you people put that note under here.

Mr. Lutz: — Mr. Chairman, Mr. Rolfes, in the introduction to my report for this year, I make the comment on page 1, I talk about we need comparable information being made available to the members of the Legislative Assembly.

Now we could just as well, or equally as well stated this one under Education. But as it happens, these moneys are being handled through property management corporation. So this was where we made the comment, that information that used to be available is no longer available.

Mr. Rolfes: — Well, okay. If that's the . . . then I was wondering why — and I don't question it — why we can't get the answer then from the officials here. Something is not quite right here. If you say they're handling the amount of money, then someone should be able to answer to us as to why they're not in the *Public Accounts* any longer.

Mr. Kraus: — If expenditures are made by a treasury board Crown, like Sask Housing or this particular Crown corporation, we don't provide the details of spending for a Crown in the same fashion that we do for a department, and I think that's the issue that the auditor is raising.

Mr. Rolfes: — Oh, I see, sure. Okay, I understand now. That was the fear that was expressed a lot earlier about . . .

Mr. Kraus: — Yes, I was just saying that it's been the policy of the government for many years not to provide details of spending for treasury board Crown corporations in the *Public Accounts* in the same fashion that they have provided for departments. So whether it's the Sask Housing Corporation or SPMC — and there may be a few other treasury board Crowns that are smaller, but in any event, the *Estimates*, of course, provide the amount of moneys that are paid to the Crown corporations. You can see whether there are non-budgetary loans or budgetary expenditures, whatever, are budgeted for and voted for, in the *Estimates*, and so in that sense you can see what's being paid to them.

But when it comes to the details of the spending by the Crown corporations, whether they be Crown corporations that are administered under the Crown Management Board or whether they're treasury board Crowns, we don't provide that type of detail as we do in departments. The Crown Corporations Committee or the legislature or this committee would ask questions of the officials to get that type of information.

Mr. Neudorf: — I just want to have a few follow-up comments from the Provincial Auditor. On page 112 of the auditor's report, 20.11, he makes the statement:

... reduced the ability of the Members of the Legislative Assembly to exact a comparable degree of accountability on an ongoing basis.

I'm just wondering, sir, if you could explain to me what you're referring to when you say, a comparable degree. Comparable to what?

Mr. Lutz: — Mr. Chairman, Mr. Neudorf, comparable or relative to what was disclosed in prior years. If you have a case where a department becomes a Crown, which has happened here, no matter what kind of Crown, there's a great deal of information which used to show up in this book, will no longer be there.

I also note on item 20.08 that in the year Supply and Services made a grant amounting to \$20,950,000 to SPMC. And I also state in there the order in council which permitted this thing to happen, did not identify the school boards to whom the money would be paid, and this is the comparable information we're talking about. When a department becomes a Crown, a considerable amount of information which used to be in this book will no longer be there.

Mr. Neudorf: — But in the year under review on the Public Accounts for '86-'87, page 121, there are a list, a breakdown list, of grants to schools as far as operating is concerned. I'm on page 121 — and on page 122 there's a list of the grants to schools as far as construction, which I assume is capital costs, which is the year under review here. And so what you're saying is that these grants now under property management will no longer be listed this way?

Mr. Lutz: — I believe as far as this year under review is concerned, the 20 million I'm discussing here will not be included in these numbers. These numbers were created before this transaction took place, I believe, Mr. Neudorf.

This is my concern, yes.

Mr. Neudorf: — On 20.12, part (2) you make the statement that the estimates no longer disclose the capital grants for school divisions and so that the members are not going to have the opportunity to specifically appropriate the sum necessary for new capital grants.

Could you expand on that?

Mr. Lutz: — I believe you're going to find in your *Estimates* today, an appropriation.

Mr. Chairman, Mr. Neudorf, relative to this item, this \$20 million was not voted for school grants in the Education department appropriations as normally we would have found them in this past. And this is inconsistent with prior years.

Mr. Neudorf: — So where did that authority come from then?

Mr. Lutz: — Which authority? To vote it this way?

Mr. Neudorf: — Yes.

Mr. Lutz: — Well you'd have to ask Mr. Cutts, I think. He was the one that did it — the people in the department of revenue and supply, or Supply and Services and SPMC, which they now have become, I believe the department is now.

Mr. Cutts: — Yes.

Mr. Lutz: — Thank you, Otto. I wasn't sure if I had that right. They have the authority, apparently, to do what they have done in relation to how they have handled these capital grants.

Mr. Rolfes: — Mr. Cutts, maybe you, since you apparently made the change-over ... This may be ... if I'm ruled out of order, fine; I am not overly concerned about it. But how do we now — I always looked at these in the past, and had to look at, you know, not in detail, but what school boards were paid in capital construction — how do we find out now ... I mean, if I want to find out now what is allocated to, you know, in 1987-88, how do I find out? Where do I go for the source of that information? Because obviously I can't ask the minister because it's a Crown.

Mr. Cutts: — You asked the question about 1987-88?

Mr. Rolfes: — Yes.

Mr. Cutts: — In 1987-88 you can go to the blue book, or the *Public Accounts*, and it will be in there. This was, again, a start-up year. I guess the treasury board thought we could manage the capital granting to school boards through the property management corporation and found that it, I guess, it didn't work as well as we thought it was going to work. So this was a one-time effort.

Mr. Rolfes: — Oh, so we can revert back?

Mr. Cutts: — Yes.

Mr. Rolfes: — Oh, okay. Well that solves the problem then. Okay. Good enough. That solves the problem. That was my question.

Mr. Muller: — Well that's fair enough. I just thought that probably some of this information would come out in Crown Corporations Committee, but if it's coming back here it seems satisfactory to the committee.

Mr. Chairman: — Mr. Lutz, I wonder if I can turn your attention to paragraph 20.16 and the matter of rental payments, so called. And you indicate that at April 30, '88, certain information had not yet been provided; therefore, "... unable to completely fulfill my reporting responsibilities pursuant to The Provincial Auditor Act." And this is concerning rental charges resulting from construction work in progress — P.A. for \$2 million, and another one on Albert Street.

And I gather that the concern is about the inadequate information to support the payments that were being made. And I wonder if you have this information now.

A Member: — What paragraph were you on?

Mr. Chairman: — Well it's basically 20.13 through 20.17, entitled "Rental Payments."

Mr. Lutz: — Mr. Chairman, this particular matter is being additionally pursued in my 1988 report. I think I wouldn't be prepared to say any more than what I have said here at this time. As at April 30, we did not have the information that we had asked for. I think there's not much I can add to that.

Mr. Chairman: — I wonder, Mr. Cutts, if you want to make any comments on this matter.

Mr. Cutts: — I guess, Mr. Chairman, I think our people tried to provide as much information as we possibly could to the Provincial Auditor, and we weren't able to convince them what we were doing was the way they wanted to see it. We have, on the advice of our legal advisers, have confirmed that what we're doing was proper, and so I guess in the next review we will sort that out in due course.

Mr. Chairman: — It'll come back again by the sounds of it.

Mr. Cutts: — Well hopefully it will come back saying everything's okay.

Mr. Chairman: — Okay. I wonder if I can just ... we'll leave that one for another day and for a subsequent year. I wonder if I can turn to Special Projects Fund, page 115, paragraph 20.21 and 20.22. It concerns a tourist information centre in Langenburg, and it concerns amendments to a contract for the construction of this tourist information centre not being approved in accordance with the authorized delegation of authority. Can I ask for an explanation of this matter on what happened here?

Mr. Cutts: — Mr. Chairman, I guess it's one of the areas

where Willard and his department and I have some ongoing negotiations to work out. This was a change order, Mr. Chairman, on this particular project, and change orders over a certain amount have to be signed by higher levels of authority. And we more than likely do, I don't know how many change orders in a year, but many hundreds, and this was one that didn't get signed properly. Of all the ones that did get signed properly, everything's okay, but when one doesn't get signed ... in a normal review I would think we miss one once in a while, and this was one of those situations. The overall contract was approved, but this one little change order was missed and we got written up this way.

Mr. Chairman: — So it's an oversight, Mr. Lutz?

Mr. Lutz: — Nothing to add. Thank you, Mr. Chairman.

Mr. Rolfes: — I have a few more questions. I'd like to turn to page 161, if I may, and I'd like to ask Mr. Lutz if the problem in 36.06 has been resolved. You had asked for a special ... that was the appointment to ... of audits for SPMC.

Mr. Lutz: — Mr. Chairman, and Mr. Rolfes, back when this was written we were having trouble getting information, having certain difficulties getting information. I think in the process of time in the last couple years we have acquired whatever information we wanted, so it becomes now rather insignificant by hindsight.

Mr. Rolfes: — Okay, good enough. Mr. Cutts, I want to ask you, on the rentals that you pay for government-owned offices, how do you determine what to charge each department for space that is rented? I ran through the ... I wasn't here last day, so I'm not absolutely certain whether you answered that last day. I tried to find it in the minutes and I might have missed it, but can you tell me very quickly how do you determine what to charge each department on a square footage basis; or do you charge them on a square footage basis? I assume that's how you do it.

Mr. Cutts: — Mr. Chairman, if you want to have kind of the methodology we use in going from supply and services to the property management corporation in some detail ...

Mr. Rolfes: — No, I don't want to know that at all, no. I want to know how do you determine ... if you have building A, okay, in the department, how do you determine what rental charge that you will levy against the department?

Mr. Cutts: — Then, Mr. Chairman, it'll have to have some detail, but I'll try to make it as quick as possible.

On office buildings, what we've done is we've had appraisals done by the private sector, and we've taken kind of 10 or 15 or 20 per cent of our buildings and had some bench-mark set on market comparability rates, and then we set our rates on office buildings in that fashion.

On single-use buildings like museums or the prisons or whatever ...

Mr. Rolfes: — Well let's make it easier. Let's take the Tommy Douglas . . .

Mr. Cutts: — Okay, that's the answer I gave you — the first answer. We get an appraiser who's gone in and valued that building, compared to other buildings of like quality, and suggested the rates would be in this area. And that's what we charge.

Mr. Rolfes: — Okay. So each building is individually assessed.

Mr. Cutts: — Yes. Yes.

Mr. Rolfes: — Is that information available to the committee — for example, what you charge the Department of Health?

Mr. Cutts: — No.

Mr. Rolfes: — That's not available?

Mr. Cutts: — No, it's not.

Mr. Rolfes: — Why would . . . Okay.

Mr. Cutts: — The total amount is available, Mr. Chairman.

Mr. Rolfes: — Okay. Well that's what I want to know. I can easily find out what the square footage is and then find out . . . You know, I mean, that's not too difficult.

Mr. Cutts: — It might be, but . . .

Mr. Rolfes: — Well, very close.

Mr. Cutts: — Yes.

Mr. Rolfes: — What's a million, nowadays?

Mr. Cutts: — We include a whole bunch of different costs in it.

Mr. Rolfes: — Okay. Good enough.

I want to go to another . . . unless somebody else . . . I want to go to legislative secretaries. What is your policy in regards to legislative secretaries and the use of CVA (central vehicle agency) vehicles? Okay, I should ask it differently. Are legislative . . . Then it's very simple maybe to answer. Are legislative secretaries entitled to use CVA vehicles?

Mr. Cutts: — Mr. Chairman, legislative secretaries, when they're on government business, have access to CVA fleet vehicles like everybody else does, quite frankly, that is on government business.

Mr. Rolfes: — So, like MLAs and also government MLAs who are on government . . . Well he said "like everybody else," and I was just . . . Well I don't know. No, but maybe you can't. Yes. Well he said like . . . I know I can't get it.

Mr. Cutts: — If they're on government business, like an

employee out doing government business, they take . . .

Mr. Rolfes: — No, I know an employee.

Mr. Cutts: — But similar. They can take a fleet vehicle or their personal vehicle and get mileage paid if they're on government business.

Mr. Rolfes: — That refers to an MLA as well, even though that MLA may not be a legislative secretary.

Mr. Cutts: — No. I don't think MLAs traditionally have used . . .

Mr. Rolfes: — That wasn't my question. My question was: does that pertain to MLAs if they are on government business?

Mr. Cutts: — Legislative secretaries. Mr. Chairman, it's a good question. I don't think we've ever had the problem posed to us that an MLA who could be doing business on behalf of the government, there should be no reason why they couldn't use a CVA vehicle. They just . . . I don't think they ever have.

Mr. Rolfes: — Okay, I want to ask one further question. Do legislative secretaries use government credit cards to purchase fuel?

Mr. Cutts: — If they're in an assigned vehicle, yes, they would have access to that credit card. Under the year under review, we still have the tabs; we didn't have the new credit cards. But we still had the . . .

Mr. Rolfes: — But they have access . . .

Mr. Cutts: — They'd have access to that to fill up with gas.

Mr. Rolfes: — But only for that specific time, or do they have . . . is that credit card with them?

Mr. Cutts: — Just for that vehicle.

Mr. Rolfes: — For that time?

Mr. Cutts: — When they had that vehicle.

Mr. Rolfes: — And then they turn in the card?

Mr. Cutts: — Yes.

Mr. Rolfes: — Okay, good enough. I want to refer to . . . excuse me for just a minute here . . . Paul Dojack building. Is that the year under review? Was that the year under review, the tenders for that and the construction that was done there?

Mr. Cutts: — Yes, the trailers and the living units that were added at that time were part of the buildings that were transferred to the property management corporation, Mr. Chairman. The other part of the Paul Dojack Centre would have been still managed by the Department of Supply and Services in the year under review, obviously.

Mr. Rolfes: — I've lost my specific questions on that. I had

a number of questions I wanted to ask on it. Was that project tendered? Was that project tendered, and first of all let me ask you that. Was it tendered, and who received the tender, if it was? While you're at it, can you tell me if it was the lowest tender and what the amount was?

Mr. Cutts: — It's on page 16 in our annual report. It shows that the tender opened on July 4. PCL-Maxam was the successful tender at 2,003,836 and they were the low tender.

Mr. Rolfes: — Two million . . .

Mr. Cutts: — \$2,003,836.

Mr. Rolfes: — All right. Were there any overruns in the project, and if there were, what were they? How much?

Mr. Cutts: — Mr. Chairman, it wouldn't have been completed by that time, but I could get that information and get back to you.

Mr. Rolfes: — Would I be correct in saying that it was probably close to half a million dollars overrun?

Mr. Cutts: — Sorry.

Mr. Rolfes: — Would I be correct in saying it was close to half a million dollars in overrun?

Mr. Cutts: — Right now I really can't say, Mr. Chairman. I just don't have that information.

Mr. Rolfes: — Okay. Mr. Chairman, I don't think that we can finish for today. I have a number of questions that I want to ask about that project, and it'll take more than the time that is left for us to finish for the day.

Mr. Cutts: — Mr. Chairman, if I could, I do have the information. In the year under review there were no overruns on that project.

Mr. Chairman: — In the year under review?

Mr. Cutts: — That's right. There were no overruns. And I'm not sure whether we completed it in the year under review, so I can't say whether there was overruns in the proceeding year.

Mr. Rolfes: — That's a real bummer. You know, you start something in the year under review, and then you have the answers, but you can't answer them because it's not completed in the year under review. I have a number of questions that I want to ask about that project, and I think we're getting just a little too narrow in our . . .

Mr. Chairman: — Maybe on that . . .

Mr. Cutts: — Mr. Chairman, I did say already that I would be willing to look that information up.

Mr. Rolfes: — No, no, I wasn't being critical of you. I'm not being critical of you at all.

Mr. Chairman: — I'm satisfied that either under this year

under review, or next year, that whatever questions are put about the ongoing project can be answered, or at least . . .

Mr. Cutts: — Well, in this specific instance we'll take a look at it and see what we can bring back.

Mr. Rolfes: — I would appreciate if you could. If I could, for next day, there are a number of things, for example, that I want to ask questions about that project, and that is the fencing which surrounds it, the locks on the entire institution, the sewage pumps. Those are just three items that I want to ask some questions about, and the problems that have existed at that institution. Okay.

Mr. Cutts: — Okay.

Mr. Chairman: — It looks like we're going to have to ask you to come back. It won't likely be for a full two hours, but I would suggest to the committee that Sask Property Management Corporation/Supply and Services will be back next week, Tuesday. And we'll also ask the next department on the agenda, which I believe is Energy, to also be available at that time. Probably Energy to be available at 9:30 on Tuesday, or perhaps at 9 o'clock, be standing by.

Mr. Rolfes: — Mr. Chairman, I think they should be here at 9 o'clock.

Mr. Chairman: — Nine o'clock, okay.

The committee adjourned at 10:30 p.m.